

Message Text

CONFIDENTIAL

PAGE 01 WARSAW 06892 241638Z

14

ACTION EUR-08

INFO OCT-01 SS-14 ISO-00 EB-03 INR-05 CIAE-00 DODE-00

NSC-05 NSCE-00 PA-01 PRS-01 SAJ-01 SP-02 H-01 L-01

/043 W

----- 102782

R 241521Z SEP 76

FM AMEMBASSY WARSAW

TO SECSTATE WASHDC 4125

C O N F I D E N T I A L WARSAW 6892

LIMDIS

E.O. 11652: GDS

TAGS: OVIP PL (KOBELINSKI, MITCHELL)

SUBJ: PREMIER RECEIVES SBA ADMINISTRATOR KOBELINSKI

1. AS SOON AS HE ARRIVED IN WARSAW ON SEPTEMBER 23 FOR A TWO-DAY VISIT, SBA ADMINISTRATOR KOBELINSKI WAS USHERED INTO AN HOUR-LONG TALK WITH PREMIER JAROSZEWICZ. KOBELINSKI WAS ACCOMPANIED BY THE CHARGE, AND VICE PREMIER PYAKA SAT IN WITH JAROSZEWICZ.

2. TWO THEMES DOMINATED THE DISCUSSION (WHICH WAS CONDUCTED ENTIRELY IN POLISH): POLAND'S PRESENT SOMBER ECONOMIC OUTLOOK AND THE GOP'S DETERMINATION TO CONTINUE ITS EXPANDING TIES WITH THE U.S. ON THE FORMER, JAROSZEWICZ SPOKE WITH THE SERIOUSNESS AND CANDOR WHICH CHARACTERIZED HIS TELEVIZED SPEECH BEFORE THE POLISH PARLIAMENT ON SEPTEMBER 22 (SEPTTEL). HIS COMMENTS WERE SPRINKLED WITH WORDS LIKE "SERIOUS", "DISAPPOINTING", "STARK" AND "HARD CHOICES". HE WAS PARTICULARLY STRAIGHTFORWARD IN DESCRIBING THIS YEAR'S POOR AGRICULTURAL SHOWING, AND HE COMPARED THE CURRENT THREE-YEAR-LONG DRY SPELL WITH CLASSIC DROUGHTS GOING BACK TO THE 16TH CENTURY. "BUT ONE WAY OR THE OTHER, WE MUST SEE TO IT THAT OUR PEOPLE DO NOT GO HUNGRY AGAIN," HE SAID. "THE PROVISION OF FOOD IS OUR HIGHEST PRIORITY." HE THEN CITED SOME OF THE SAME STATISTICS ON SHORTAGES AND MEAT AND GRAIN IMPORTS THAT HE USED IN HIS PARLIAMENT SPEECH: CROP SHORTFALLS OF SIX MILLION TONS OF

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 WARSAW 06892 241638Z

GRAINS, (7 MILLION IN IMPORTS), 15 MILLION TONS OF POTATOES,

2.5 MILLION HOGS. THESE FOOD IMPORTS COME AT A STEEP PRICE, HE SAID, AND WILL INEVITABLY HAVE AN IMPACT ON THE GOVERNMENT'S GENERAL INVESTMENT PLANS. HE ADDED THAT POLISH AUTHORITIES ARE CONVINCED THAT THE USG UNDERSTANDS AND SYMPATHIZES WITH POLAND'S PRESENT PLIGHT. HE REFERRED TO THE REASSURANCES VICE PERMIER OLSZEWSKI REPORTED FROM HIS JUST-CONCLUDED VISIT TO WASHINGTON, AND HE EXPRESSED APPRECIATION FOR US ASSURANCES ON CCC "AND OTHER" CREDITS. (COMMENT: HIS MESSAGE WAS CLEAR: POLAND NEEDS ALL THE HELP IT CAN GET FROM THE U.S., PARTICULARLY DURING THE NEXT YEAR OR SO. END COMMENT).

3. MR. KOBELINSKI RESPONDED THAT THE USG DOES INDEED UNDERSTAND POLAND'S PRESENT PREDICAMENT AND WISHES TO HELP. HE REFERRED TO A RECENT CONVERSATION WITH SECRETARY BUTZ IN WHICH THE SECRETARY SAID SOME VERY POSITIVE THINGS ABOUT POLAND. IN THIS REGARD, THE SBA IS PREPARED TO ENCOURAGE US FIRMS TO WORK OUT COOPERATIVE ARRANGEMENTS WITH POLISH COMPANIES UNDER THE TERMS OF POLAND'S NEW LAW ON FOREIGN INVESTMENT. HE MENTIONED CONVERSATIONS HE HAD ON THIS SUBJECT WITH VICE PERMIER PYKA IN JUNE, AND HE LISTED A FEW SPECIFIC WAYS HIS ADMINISTRATION COULD FACILITATE COMPANY-TO-COMPANY CONTACTS. BUT, HE ADDED, THE POLISH AUTHORITIES HAVE NOT SPELLED OUT IN DETAIL JUST HOW THE NEW LAW WILL FUNCTION. AN AD HOC, CASE BY CASE APPROACH TO INVESTMENT PROBLEMS IS NOT ENOUGH, HE CONTINUED. WHAT IS NEEDED IS A SPECIFIC SET OF RULES COVERING SUCH DETAILS AS PERCENTAGE OF EQUITY INVESTMENT, REPATRIATION OF PROFITS AND MARKETING ARRANGEMENTS. JAROSZEWICZ SAID THE GOP WOULD ADDRESS THIS MATTER RIGHT AWAY. KOBELINSKI AND THE PREMIER THEN TALKED AT SOME LENGTH ABOUT WORKER INCENTIVES, PRODUCTIVITY AND JOB COMMITMENT, EACH OF WHICH JAROSZEWICZ SAID WAS IN SHORT SUPPLY IN POLAND. THE MOST IMPORTANT POINT TO EMERGE FROM THIS DISCUSSION WAS AN ACCEPTANCE BY JAROSZEWICZ OF THE NOTION THAT FREE ENTERPRISE MAY OFFER AT LEAST A PARTIAL ANSWER TO POLAND'S PROBLEMS AND THAT THE SBA CAN PLAY A ROLE IN ASSISTING NEW POLISH PRIVATE BUSINESS INITIATIVES TO COME INTO EXISTENCE. NOTEWORTHY TOO WAS DEPUTY PREMIER PYAK'S COMMENT THAT CHANGES ARE ABOUT TO TAKE PLACE IN THE POLISH TAX STRUCTURE WHICH ARE DESIGNED TO REWARD THROUGH THE TAXATION SYSTEM INITIATIVE AND PRODUCTIVITY IN POLISH ENTERPRISES. (COMMENT: THIS IS THE FIRST WE HAVE HEARD OF THIS ARRANGEMENT, AND WE WILL TRY TO LEARN MORE ABOUT IT). END COMMENT

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 WARSAW 06892 241638Z

4. RETURNING TO GENERAL US-POLISH ECONOMIC TIES, THE PREMIER SAID POLAND INTENDS TO CONTINUE ITS EXPANSION OF TRADE WITH THE "CAPITALIST" COUNTRIES. HE SAID THAT TOTAL TURNOVER WITH THESE COUNTRIES WOULD EXPAND BY 7 PERCENT THIS YEAR DESPITE CURRENT DIFFICULTIES. HE SAID POLISH EXPERIENCE WITH BIG US DEALS (HE MENTIONED INTERNATIONAL HARVESTER) HAD BEEN VERY SATISFACTORY, AND, ONE WAY OR ANOTHER, THE GOP INTENDS TO CONTINUE PURCHASING

LICENSES, TECHNOLOGY AND WHOLE PLANTS FROM THE U.S. THIS INCLUDES THE GM DEAL, HE SAID, WHICH HE HOPED WOULD GO THROUGH DESPITE SOME LAST MINUTE PROBLEMS WHICH ARE NOW CROPPING UP. MR. KOBELINSKI ASKED IF HE WERE REFERRING TO THE EXIM BANKS INTEREST RATE. JAROSZEWICZ REPLIED THAT THE INTEREST RATE WAS NOT THE KEY ISSUE WITH THE GM PROJECT BUT OTHER TERMS OF THE DEAL WERE CAUSING PROBLEMS. KOBELINSKI ASKED FOR SPECIFIC DETAILS AND JAROSZEWICZ SAID HE WOULD PROVIDE THEM. HE REPEATED, HOWEVER, THAT THE POLES ARE VERY ANXIOUS THAT THIS CONTRACT TO GO THROUGH.

5. COMMENT: JAROSZEWICZ'S TONE AND DEMEANOR IN THIS MEETING WAS VERY MUCH THE ONE HE PROJECTED DURING HIS 2-HOUR TV SPEECH BEFORE THE POLISH PARLIAMENT ON SEPTEMBER 22: THE COUNTRY IS HEADED TOWARD A ROUGH PATCH AND SOME WAY MUST BE FOUND TO ENERGIZE THE POLISH POPULATION TO WORK WITH DILIGENCE AND FOREBEARANCE UNTIL THESE TRIALS ARE PAST. THE ONLY NEW THING HE ADDED TO MR. KOBELINSKI WAS A RATHER PLAINTIVE APPEAL FOR U.S. UNDERSTANDING AND SUPPORT, THE SPECIFICS OF THE LATTER NOT SPELLED OUT. END COMMENT.
BROWN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 24 SEP 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: coburnhl
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976WARSAW06892
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760362-0771
From: WARSAW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760920/aaaaarjm.tel
Line Count: 135
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: coburnhl
Review Comment: n/a
Review Content Flags:
Review Date: 03 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 MAY 2004 by greeneet>; APPROVED <26 AUG 2004 by coburnhl>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PREMIER RECEIVES SBA ADMINISTRATOR KOBELINSKI
TAGS: OVIP, PL, (KOBELINSKI, MITCHELL)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006